

OVERVIEW

Europe has the largest Pipeline in EMEA with 971 projects/161,236 rooms at the end of Q4 2008. The Middle East's Total Pipeline has 503 projects/147,488 rooms. Africa's totals 171 projects/35,267 rooms. As in other parts of the world, the Pipelines in these regions are heavily weighted for the near-term. 50% of Europe's projects and 53% of projects in both the Middle East and Africa are already Under Construction. This is due to the rush by developers during Q4 2007 and Q1 2008 and through the fall in the Middle East to get projects in the ground before the availability of lending was further reduced.

The United Kingdom accounts for 24% of European Pipeline rooms with 279 projects/39,096 rooms. Spain follows with 152 projects/20,779 rooms. Dubai, having 136 projects/50,414 rooms, leads in the Middle East with 34% of Total Pipeline rooms, Abu Dhabi being next at 73 projects/23,489 rooms. Practically all are large, high-end, world-class resort destination properties. With 25% of the room count, Morocco has the largest share of Africa's Pipeline with 45 projects/8,787 rooms. South Africa follows with 29 projects/4,798 rooms.

The economies in these regions are quickly softening. Lending is rapidly drying up, except for smaller mid-market and economy projects. The withdrawal of cross-border global banks is having major impact, particularly in Eastern Europe and the Middle East. As a result, Pipeline project and room counts are declining and are expected to continue to do so at an even more rapid pace in the months ahead.

Currently, Europe's Pipeline project counts are off 5% and rooms 6% from Q2 2008's cyclical peak. Africa is down 4% for both projects and rooms. In the Middle East, project and room totals are down 10% from Q2.

Construction Pipeline at Q4 2008 by Stage

Region	Under Construction		Starts Next 12 Months		Early Planning		Total Pipeline	
	Projs	Rms	Projs	Rms	Projs	Rms	Projs	Rms
Europe	488	83,679	250	41,716	233	35,841	971	161,236
Middle East	266	76,238	113	32,252	124	38,998	503	147,488
Africa	91	19,170	63	12,636	17	3,461	171	35,267
Total Pipeline	845	179,087	426	86,604	374	78,300	1,645	343,991

Construction Pipeline: Percent Change from the Cyclical Peak

Region	Q2		Q4		% Change Q208 to Q408	
	Projs	Rms	Projs	Rms	Projs	Rms
Europe	1,022	172,249	971	161,236	-5%	-6%
Middle East	556	164,259	503	147,488	-10%	-10%
Africa	179	36,855	171	35,267	-4%	-4%
Total Pipeline	1,757	373,363	1,645	343,991	-6%	-8%

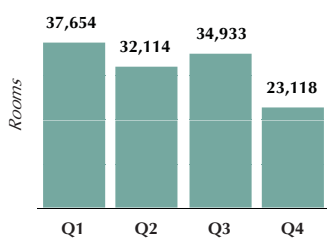
KEY METRICS

At a combined 136 projects/23,118 rooms, Construction Starts in all three regions are trending down and are expected to continue so throughout 2009-10. Project migration up the Pipeline towards Under Construction has slowed due to the lack of available financing. That has caused a build-up of projects in the Scheduled Starts in the Next 12 Months and Early Planning stages. Many of these "stalled" projects will have difficulty migrating forward until the financing crisis is resolved.

Now at 164 projects/37,470 rooms, Project Cancellations and Postponements have accelerated in the last two quarters and show a doubling since Q208. In Europe alone, project cancellations have quadrupled year-over-year. In the Middle East, the evaporation of available lending has seriously impacted their Pipeline of high-end resorts. Dubai is the most affected. 20 projects/7,477 rooms, or 21% of EMEA's total, have canceled or postponed this quarter.

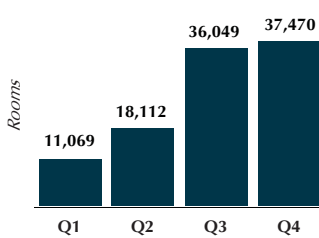
New Project Announcements (NPAs) into the Pipeline are at 228 projects/34,142 rooms, trending down from the cyclical peak established in Q1 2008. Downward trends are likely to accelerate as developer concerns are further heightened by the softening economy, rapid changes in lodging operating statistics and difficulty in finding financing at acceptable terms. Notably, the average project size for New Project Announcements is declining, particularly in Europe. Developer and lender interest has shifted markedly towards mostly midmarket and, in Europe, economy projects smaller than 200 rooms.

Construction Starts



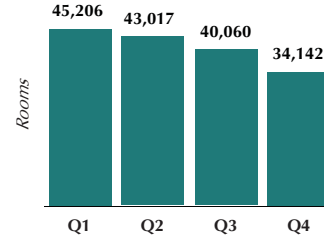
Projects	225	165	165	136
----------	-----	-----	-----	-----

Cancellations/Postponements



Projects	61	87	185	164
----------	----	----	-----	-----

New Project Announcements



Projects	241	222	203	228
----------	-----	-----	-----	-----

FORECAST FOR NEW HOTEL OPENINGS*

In 2008, 369 new hotels with 57,910 rooms opened. New Openings in 2009 and 2010 will reach cyclical highs. 2009 will bring 452 hotels/81,122 rooms online, while 2010 will see 457 hotels/ 94,224 rooms enter as New Supply. Many of the projects are large, full-service hotels that were seeded in the Pipeline earlier in the decade. Practically all are now Under Construction.

ORDER THE FULL REPORT

With over 30 years of experience, Lodging Econometrics (LE) is the foremost source of global lodging real estate intelligence for hotel franchise companies, management groups, investment firms and vendors to the lodging industry. LE's complete report on EMEA's Lodging Construction Pipeline is now available and includes development by three stages of construction, three-year forecasts for new hotel openings, two years of prior new openings, and current supply, with views by chain scale, hotel size, country and market, and leading hotel companies and brands. To order this report or to inquire about any of LE's other lodging real estate reports, please fill out the following inquiry form or contact Lodging Econometrics at info@lodgingeconometrics.com.

Please complete this response form and email to LE at hotels@lodgingeconometrics.com or fax to LE at +1 603-431-4418.

In today's changing environment, Lodging Econometrics (LE) has the information you need, whether you're concerned about new supply in particular markets, identifying acquisition or asset management opportunities, or assessing hotel real estate valuations and trends.

If you would like more information about LE's Development Pipeline and Contact Names for Ownership and Management Reports for any market in EMEA, for EMEA as a whole or for any other market, country or region worldwide, please place a check next to the LE products of interest to you. Our sales representatives will then forward samples for your consideration.

Yes! I would like to purchase the full Development Pipeline Report for EMEA. Please send me details.

REAL ESTATE REPORTS	FEATURES	APPLICATIONS
<input type="checkbox"/> Development Pipeline Reports <input type="checkbox"/> For any particular market Such as London, Madrid, Moscow, Cairo, Marrakech, etc. <input type="checkbox"/> For any country Including the United Kingdom, Spain, France, Russia, Dubai, Abu Dhabi, Morocco, South Africa, etc. <input type="checkbox"/> For any Region For Europe, the Middle East or Africa only.	Development Pipeline Reports contain: Pipeline Summaries with project and guest room counts for: <ul style="list-style-type: none"> • Three Development Stages and for Current Supply • The major companies and brands • By chain scale, location and hotel size Three-Year Forecast for New Hotel Openings <ul style="list-style-type: none"> • Project and guest room growth rates • Forecasts are revised quarterly Individual Project Records <ul style="list-style-type: none"> • All Hotel Construction, Reflaggings and Announced Renovation projects • New Project Announcements are added, and Cancellations are removed • Full developer contact information • Start and completion dates are updated quarterly 	Access every lodging real estate fact you need for: In-depth market analysis, future supply assessment, development decision-making, acquisition/disposition strategies, and revenue management planning An essential planning tool for: Developers, Franchise Sales Teams, Acquisition/Disposition Officers, Analyst/Feasibility Groups, Operations and Sales and Marketing Executives, Revenue Managers, and Lenders
<input type="checkbox"/> Contact Names for Owners & Management of Open & Operating Hotels (Census)	Individual Hotel Records include: Comprehensive Contact Information <ul style="list-style-type: none"> • Name, address, phone and fax numbers for the Owner, Management Group and Hotel • Property details are included Customized Sorts for your exacting specifications <ul style="list-style-type: none"> • By particular market, brand, chain scale or hotel size 	Investigate opportunities for: Acquisition, investment or adding to your asset management portfolio Ideal for those executives involved in: Acquisitions, Business Development, Asset Management, Strategic Planning, M&A, and Direct Mail or Telemarketing Programs
<input type="checkbox"/> Valuation Trend Reports <input type="checkbox"/> Individual Sales Comp Records	A 5-Year Summary of Transaction Trends with: <ul style="list-style-type: none"> • Total transactions, average room count and average selling price per room • By brand, chain scale, region, location, and hotel size Comprehensive Transaction Records detail: <ul style="list-style-type: none"> • Selling price, room count, date of transaction, hotel letterhead, and complete contact data for buyer and seller • By brand, chain scale, region, location, and hotel size 	Evaluate historic valuation trends and estimate your optimum timing for acquisition/disposition decisions with: Transaction volume and selling price trends for the current lodging real estate cycle A necessity for those who must re-verify current asset values: Appraisers, Asset Managers, Consultants, Acquisition/Disposition Officers, and Lenders

LE's Real Estate Reports can be customized for your particular needs and may be purchased as a:

- One-time order
- Quarterly Subscription
- Corporate Intranet Site License

Do you have strategic objectives or particular projects that you are working on which LE can assist you?

Name: _____ Title _____

Company: _____ Phone: _____

Address: _____ Email: _____

City: _____ State: _____ Zip: _____ Country: _____

LE has a Sales Solution Program for Vendors for all countries and regions worldwide:

- United States
- Caribbean, Mexico & Central America
- South America
- Canada
- Asia Pacific